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BEFORE THE
ILLINOIS COMMERCE COMMISSION
SPRINGFIELD, ILLINOIS

ILLINOIS
COMMERCE COMMISSION
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NORTH COUNTY COMMUNICATIONS CASE NO. 02-0147
CORPORATION,
Complainant,
v.
VERIZON NORTH, INC., et al.,
Respondents.

REBUTTAL TESTIMONY OF DOUGLAS A. DAWSON
ON BEHALF OF NORTH COUNTY COMMUNICATIONS, INC.

Dated: July 18, 2003

1 Q1. Are you the same Douglas A. Dawson who filed direct testimony in this case?
2 A1. Yes.
3 Q2. Have you read the direct testimony filed in this case by Verizon?
4 A2. Yes.
5 Q3. Do you have any comments on the Verizon testimony?
6 A3. Yes. I would like to comment on the direct testimony of Charles Bartholomew and
7 Kathryn J. Allison.
8 Q4. Is there any thing in the Verizon testimony that you take exception to?
9 A4. There are several areas where I disagree with what Verizon has said. First, I'd like
10 to clarify that there is a significant difference between interconnection with wireless
11 carriers and interconnection with CLECs and I would hope that in this proceeding that we
12 can end any discussion of wireless carriers, since the way they interconnect is not relevant
13 to NCC's complaint. Next, I would like to look at the issue of the requirement for NCC to
14 have numbers in order to interconnect. Then I want to look at the issue of Verizon's
15 willingness to allow NCC to interconnect at a "retail" location and clarify some issues
16 raised by Verizon. I would also like to look a bit at the relevance of Verizon's treatment of
17 NCC in other states and why that has bearing in Illinois. Finally I'd like to object to
18 Verizon's discussion of NCCs business plan.
19 Q5. You said you wanted to take exception to the Verizon testimony concerning
20 wireless carriers. What specific testimony are you referring to and what issues do you
21 believe are important to raise concerning that testimony.
22 A5. Beginning on Page 8 of her testimony Ms. Allison compares the interconnection of
23 CLECs in general to the interconnection of wireless carriers. There are several theoretical
24 problems with this comparison and my hope in this rebuttal testimony is to show that these
25 comparisons are not relevant to this case. My hope is to take this argument off the table
26 so we can concentrate on the real issues in this case. The only relevant topic in this case
27 is the way that Verizon interconnects with CLECs in general and NCC in particular.

28

1 In her testimony Ms Allison refers to a number of locations where Verizon of Illinois
2 has connected with wireless carriers. The first problem with looking at locations where
3 Verizon connects with wireless carriers in its network is that most of these locations are
4 probably not interconnection points. In my consulting role I also work with a number of
5 wireless carriers. In my experience the typical network for a wireless carrier is very
6 different from the typical CLEC network. It is true that wireless carriers have
7 interconnection agreements with LECs like Verizon. However, the typical wireless carrier
8 (cellular and PCS providers) will have only a few locations where they actually
9 interconnect with a LEC and that are governed by the interconnection agreement. An
10 interconnection agreement between Verizon and a wireless carrier will describe how the
11 two carriers will exchange traffic, and typically there are only a few locations in any state
12 where a wireless carrier chooses to exchange traffic with a LEC. Traffic is usually
13 exchanged on trunks that typically (but not always) connect between the wireless switch
14 locations, often referred to as MTSOs, and the LEC network. In addition to a handful of
15 connections to its switch, the typical wireless carrier usually maintains many locations in
16 its network that are not interconnection points. For example, a wireless carrier might have
17 only one switch in a state but may have hundreds of antenna sites. Typically a wireless
18 carrier will purchase retail facilities from the LEC in the form of T1s to connect its switch
19 to each antenna site, and in fact wireless carriers generally are the largest purchasers in
20 the country of retail T1s. These T1 connections are typically used by the wireless provider
21 to carry the traffic to or from its switch at the MTSO and the antenna sites. This type of
22 connection is not "interconnection" since these connections are not used to interchange
23 traffic between the wireless carrier and Verizon. Instead these routes are considered to
24 be "inside" of the wireless carriers own network. Interconnection only occurs on jointly
25 provided routes where the wireless carrier and the LEC exchange traffic.

26 I have no way of knowing, but I suspect that most of the locations listed by Ms
27 Allison as wireless interconnection points are actually locations where wireless carriers
28 are actually purchasing retail facilities. Again, locations where retail tariffed services are

1 purchased are not interconnection points and have no relevance to this case. The fact that
2 a wireless carrier has an interconnection agreement with Verizon does not mean that
3 every place where the wireless carrier purchases facilities are subject to or are in any way
4 a part of those agreements. When a wireless carrier buys a retail T1 the wireless carrier
5 looks like any other business that buys T1s and in such cases there are no
6 interconnection issues.

7 A more important reason to remove any discussion of wireless interconnections
8 from this docket is that wireless carriers are not subject to the same interconnection rules
9 as are CLECs, and for this reason I believe that we are wasting time talking about wireless
10 carriers in this case. CLECs interconnections are governed by rules that were defined in
11 the Telecommunications Act of 1996 (The Act). Wireless carriers also have
12 interconnection agreements with LECs, but their agreements, while similar to CLEC
13 agreements in many ways, are governed by different statutes and FCC rulings. The Act
14 lays forth very specific rules that govern CLEC interconnection and these rules are not
15 identical to the rules that govern wireless interconnection. I could write a lengthy discourse
16 describing the difference between the two types of interconnection, but instead I would
17 hope that the two parties could just agree that wireless carrier interconnection rules do not
18 have any direct relevance to CLEC interconnection rules and that we can remove them
19 from discussion in this case.

20 On page 8, carrying onto page 9 of her testimony Ms. Allison makes the argument
21 that wireless carrier interconnection is relevant in this case since Verizon has competition
22 from wireless carriers. She even says that I agree with this conclusion. The fact that there
23 is competition between Verizon and wireless carriers and Verizon and CLECs does not
24 somehow mean that what applies to CLECs automatically applies to wireless carriers.
25 There is a huge body of regulatory history to show that just the opposite is true. I would
26 ask this Commission to save time in any upcoming hearings by taking the issue of
27 wireless interconnections off of the table. Any such discussions will muddy the water and
28 sidetrack us from the issues in this case.

1 Q6. On pages 36 and 37 of Ms. Allison's testimony she says that NCC's lack of number
2 assignments delayed the interconnection request that NCC made to Verizon? Do you
3 think that a CLEC has to have numbers in order to process a request for interconnection
4 trunks?

5 A6. No. Let me explain why this is so. First, it is not even mandatory for a CLEC to
6 have its own numbers. For example, CLECs like Covad have connected all over the
7 country with LECs without having number assignments.

8 I will grant that a CLEC must have its own number prefixes if it wants Verizon to
9 deliver calls to it. However, there are other uses for interconnection trunks other than the
10 delivery of traffic from the LEC to the CLEC. For example, interconnection trunks can be
11 used to backhaul UNE loops. Interconnection trunks can also be used to carry traffic from
12 the CLEC to the LEC. Both of these types of traffic do not require the CLEC to have
13 numbers.

14 Verizon differs from other LECs in that it has created a very regimented set of
15 CLEC rules that dictate to the CLEC how it must conduct business with Verizon. These
16 rules tend to take on the effect of law in the way that Verizon interprets them. As an
17 example, Ms. Allison states that Verizon could not process an ASR (trunk order) from
18 NCC without having the number prefix field completed. My response to that is that
19 obviously they could if they wanted to. I know that in some of Mr. Lesser interconnection
20 with other carriers like Qwest and SBC, that interconnection trunks were ordered and
21 installed before NCC's prefixes were effective. Thus the RBOCs other than Verizon are
22 not as inflexible in the way they deal with CLECs. This requirement that certain fields on
23 an ASR must be completed in order to complete a trunk order amounts to an "unwritten
24 rule" of Verizon, and the arbitrary and unwritten nature of these rules has been at the
25 heart of Mr. Lesser's complaint with Verizon nationwide since day one.

26 I contend that Verizon could have discussed this issue with Mr. Lesser and could
27 have processed ASRs without the number field completed. Obviously Mr. Lesser could
28 not actually receive traffic until such time that he actually had valid numbers operating, but

1 there is not reason why the lack of numbers should delay the physical connection of the
2 trunks between the two parties. Other RBOCs don't make this distinction and I don't
3 believe that Verizon should do so. In fact, requiring this of NCC automatically extends the
4 time that it would take them to interconnect. The most common sense approach to this
5 issue is the one used by Qwest and other RBOCs. The most efficient way for a CLEC to
6 put together a working network is to be able to do things simultaneously. It is far more
7 efficient for a CLEC if trunks are being built at the same time that numbers are being
8 ordered. In this manner numbers can be tested and activated a few days after they are
9 effective. By requiring steps like this to be done in sequence, rather than simultaneously,
10 Verizon has automatically extended the time it takes for a CLEC to effectuate an
11 interconnection. This is just one small example of the arbitrary way that Verizon has
12 interpreted how it should interface with CLECs. There is nothing in the Act that requires
13 numbers to be in place before trunks can be ordered – this is just another arbitrary and
14 unwritten rule from Verizon.

15 Q7. In Mr. Bartholomew's testimony he discusses the concept of "wholesale" vs. "retail"
16 facilities. What did you understand from his testimony?

17 A7. I have to admit that I am confused. One has to remember the history that Mr.
18 Lesser has had with Verizon. In other Verizon states he had not been allowed to order
19 trunks for his CLEC on existing facilities that already contain retail customers. In Illinois,
20 before he got started he naturally asked if that same restriction would apply here as well.
21 The response back to Mr. Lesser from Dianne McKernan was that "The West Policy is the
22 same as the east. . . We will not terminate interconnection trunks on a retail/enterprise
23 facility". From Mr. Lesser's viewpoint this response was crystal clear. Verizon officially
24 notified him that he could not place his CLEC on equipment in any building that already
25 was being used by a Verizon retail customer.

26 Mr. Bartholomew explains in his testimony how he came to the conclusion that
27 such an interconnection was not allowed. He states that he believed that Mr. Lesser was
28 asking about connecting using a "DS1 Primary Rate Interface 'PRIs' or business dial-tone

1 lines. I have to be honest that I find Mr. Bartholomew's testimony to be very confusing.
2 CLECs connect to Verizon using trunks. A trunk is a facility that is used to connect
3 between two carriers or between central offices within a single carrier's network. PRIs and
4 business dial-tone lines, on the other hand, are tariffed retail products that Verizon sells
5 to end user customers. It would be impossible for a CLEC to connect with Verizon using
6 an end user retail product and I am totally mystified why Mr. Bartholomew would have
7 come to the conclusion that Mr. Lesser was asking about a retail product. Mr. Lesser's
8 original question to Verizon asked if a fiber build was necessary in order to connect with
9 Verizon in Illinois. He asked this question because in other Verizon states, when he was
10 not allowed to use an existing "retail" facility, he was told that instead he would have to
11 wait until Verizon constructed fiber to his location. I simply can't see how Mr. Lesser's
12 question could have been interpreted to mean he would want PRIs or business dial-tone
13 lines since no CLEC would ever want these.

14 In the end, Verizon told Mr. Lesser that it was not possible in Illinois to connect at
15 existing "retail" facilities. Verizon now says that this was a mistake and was based upon
16 an odd set of reasoning. But in the end, Verizon told Mr. Lesser that there was a policy
17 that would stop him from interconnecting in his preferred manner. Since Ms. McKernan
18 is Todd's only real interface with Verizon, then Mr. Lesser could have no conclusion other
19 than that what she says is Verizon's official position.

20 Q8. Ms. Allison states that Mr. Lesser's experiences with Verizon in other states are
21 irrelevant to this case. Do you agree?

22 A8. No. In fact, it is this very history that led Mr. Lesser to ask more questions of
23 Verizon up front in this case. Remember that Ms. McKernan was the nationwide
24 representative for Mr. Lesser in his dealings with Verizon. As such there already was an
25 established history between Mr. Lesser and Ms McKernan. When Mr. Lesser asked if he
26 was going to encounter the same problems in Illinois as he has encountered in other
27 Verizon states, the basic answer back from Ms. McKernan was that the same policies
28 applied in Illinois as well. In those other states Verizon really did have a policy to not allow

1 a CLEC to connect on a facility that was already being used by a retail customer. Verizon
2 has subsequently backed down from this policy to some extent in other states, but when
3 Mr. Lesser sought to get interconnected in Illinois these policies were forefront on his
4 mind. He understood that he was going to be asking to interconnect with Verizon in a town
5 that was much smaller than where he meets Verizon in other states. Because of the
6 smallness of the town Mr. Lesser was worried that he would not be able to find a
7 "wholesale" location, that is a place where Verizon was already connected to other
8 CLECs. If you read the correspondence between Mr. Lesser and Verizon you will see that
9 he reluctantly accepted Verizon's policy against locating at a "retail" location. He was
10 merely trying desperately to find a location that did not violate this policy and that also had
11 enough existing facilities so that he would not have to wait for a fiber augmentation before
12 getting trunks.

13 Verizon says they were surprised that Mr. Lesser asked them for the addresses of
14 buildings where he could meet Verizon. In light of Ms. McKernan's email stating that
15 Illinois had the same prohibition as other Verizon states against putting CLEC traffic into
16 equipment that already had retail traffic, one can easily understand Mr. Lesser's dilemma
17 and can understand why he was asking for Verizon's help in finding a location. Mr. Lesser
18 was very concerned that any location he chose on his own would be inadequate –
19 because of Ms. McKernan's email he assumed that he 1) had to avoid buildings where the
20 facilities were already connected to retail customers, and 2) he wanted a building where
21 there was enough capacity to meet his needs without waiting for a fiber build. Faced with
22 these restrictions Mr. Lesser was understandably perplexed. No CLEC could have enough
23 knowledge of Verizon's network that would allow it to select a location that met these
24 criteria and that was suitable.

25 Instead, had Mr. Lesser been told that in Illinois that he was allowed to interconnect
26 at any location including those that had retail customers, then Mr. Lesser would have had
27 a far easier time in selecting a location on his own. Mr. Lesser could then have retained
28 a realtor who could have found him a number of possible leased spaces and then Mr.

1 Lesser could have asked Verizon if any of the spaces had enough capacity for his needs.
2 However, since Mr. Lesser was under the impression that he must avoid "retail" facilities,
3 his hands were tied. He did not know how to direct a realtor to find Verizon "wholesale"
4 buildings. Verizon now states that Ms. McKernan's email to Mr. Lesser was a
5 "miscommunication". However, considering the fact that he had just gone through this
6 same situation with Verizon in other states, this statement caused NCC harm in that it
7 drastically slowed down his interconnection. Mr. Lesser's experience in other states is
8 totally relevant to this hearing.

9 I would like to point out that Mr. Lesser operates in many states and not just in
10 Verizon areas. In all of the non-Verizon states places where Mr. Lesser has sought
11 interconnection the process went rather smoothly. Mr. Lesser has effectuated a number
12 of interconnections without issue. Verizon is a completely different story. Believe me that
13 Mr. Lesser would much rather than this interconnection have gone smoothly rather than
14 to be embroiled in this hearing.

15 Q9. Ms Allison makes some statements about Mr. Lesser's business plan in Illinois that
16 bother you. Can you elaborate?

17 A9. Yes. Ms. Allison makes statements that "I found it quite notable that there was no
18 documentation of any marketing efforts that NCC had initiated" and "there were no
19 documents that indicated that NCC had identified or made contact with a single potential
20 customer in Illinois". I hope that these are Ms. Allison's personal opinions and not the
21 opinions of Verizon. Frankly, Mr. Lesser's plans on how to get customers are his own
22 business. He was certified by the ICC as a CLEC and it was Verizon's obligation to
23 interconnect with him if he requested it. Verizon really has no business to judge Mr.
24 Lesser's plans for how to conduct business, or should they need any proof of his
25 marketing intentions as a precursor towards getting interconnected. Mr. Lesser would not
26 have requested interconnection in Illinois unless he believed he could make a profit here.

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1 Q10. On Pages 49 and 50 of her testimony, Ms. Allison notes that my direct testimony
2 discusses two situations that don't seem relevant to this case. Do you have any comments
3 on her observations?

4 A10. Yes. I apologize for the inclusion of this testimony to the Commission. I was
5 requested to file this testimony on very short notice, and as Ms. Allison conjectured this
6 testimony came from a situation in another state and should not have been included in
7 this testimony. I withdraw my testimony concerning the construction of a new multiplexer
8 and the issue of partial orders. The rest of my direct testimony is relevant to this case.

9 Q11. Does this conclude your rebuttal testimony?

10 A11. Yes.

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STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

VERIFICATION OF DOUGLAS DAWSON


I, Douglas Dawson, being first duly sworn and under oath state that I am the President of CCG Consulting, Inc and as such, am competent to testify on the REBUTTAL TESTIMONY OF DOUGLAS DAWSON, that I have read the foregoing REBUTTAL TESTIMONY OF DOUGLAS DAWSON, and that the factual allegations contained therein are true and correct to the best of my knowledge and belief.

Dated: July 24, 2003



Douglas Dawson

Subscribed and sworn to me this
24 day of July __, 2003.



Notary Public